



Medika d.d.

Zagreb, Capraška 1

**INTERIM REPORT
for I-III 2018
Medika d.d. Zagreb**

April 2018

Management interim report

Comment on the business results for the first quarter of 2018

Medika d.d. („Company“) has realised total revenue in the first three months of 2018 in amount of HRK 737.3 million which is by 9.96% higher comparing to the same period of previous year.

Sales revenues which amount to HRK 725.0 million for the first three months of 2018 are by 10.47% higher comparing to the same period of previous year.

Share of sales revenues in the total revenue is 98.32% while in the same period of previous year it was 97.87%.

Other operating revenues which amount to HRK 3.4 million are lower by 42.23% comparing to the same period of previous year. Share of other operating revenues in total revenue was 0.87% in the first three months of 2017, and in the first three months of 2018 is 0.46%.

Out of the total sales revenues, 99.98% revenues are generated on domestic market, while 0.02% is generated on the foreign market. This structure in the first three months of 2018 has not changed comparing to the same period of previous year.

Material expenses amount to HRK 686.6 million and are 10.48% higher comparing to the same period of previous year, which is in accordance with the growth of sales revenue. Since the operating expenses are growing in lower percentage, share of material expenses in the operating expenses is higher by 0.53% comparing to the same period of previous year and amounts to 95.96%.

Employee expenses are higher by 1.99% comparing to the same period of previous year. Their share in the total expenses amounts to 1.89% while in the same period of previous year it amounted to 2.04%. Increase in employee expenses is influenced by higher number of employees.

Impairment of current assets amounts to HRK 4.3 million and is lower compared to the same period of previous year. Impairment of accounts receivables is lower compared to the same period of the previous year because at the end of the 2017 there was debt repair for the hospitals. Also, in the first quarter of 2017 impairment of the interest receivables from Agrokor was recorded in the amount of HRK 1.1 million.

Finance income has increased compared to the same period of the previous year for HRK 546 thousand. In the structure of the financial positive foreign exchange differences are lower compared to the same period of the previous year for HRK 1.5 million, while interest income is higher for HRK 2.1 million. In the interest income structure, interest income on given loans is lower, because in the first quarter of 2017 the interest income on the loan on the loan given to Agrokor d.d. was recorded, while in the first quarter of 2018 interest was not charged according to the Act on the procedure of Extraordinary Administration in Commercial Companies with Systemic Importance for the Republic of Croatia. At the same time, based on the court settlement, default interest income was recorded in the amount of HRK 3.8 million.

Finance expenses have decreased compared to the same period of previous year by HRK 798 thousand, which is 22.15%. Their share in the total expenses is by 0.16% lower compared to the same period of previous year and amounts to 0.39%. In the structure of financial income foreign exchange expenses are higher by HRK 215 thousand, while interest expenses are lower by HRK 1.0 million as a result of lower interest rates and lower indebtedness comparing to the same period of previous year.

Gross margin in the first three months of 2017 amounted to 6.39%, while in the first three months of 2018 amounts to 6.54%, which is increase of 0.16%. Increase is a result of larger increase in net sales revenue comparing to the increase in net cost of goods sold.

Gross profit (profit before taxation) amounts to HRK 19.1 million, while in the same period of previous year amounted to HRK 15.8 million, which is increase of HRK 3.3 million, or 20.98%. Higher gross profit is result of greater increase of total revenue (increase of 9.96% comparing to the same period of previous year) in relation to the increase of total expenses (increase of 9.69% comparing to the same period of previous year).

Operative earnings amount to HRK 12.8 million and are by HRK 2.0 million, which is 18.02% higher comparing to the same period of previous year.

Realised net profit amounts to HRK 15.3 million.

Transactions with the related parties in the first three months of 2018 generated total net revenues in amount of HRK 76.2 million, which is 5.07% more of generated revenue in the same period of previous year when it amounted to HRK 72.5 million. Increase is a result of increase sales in Prima Pharma Group, namely members of Prima Pharme Group were purchasing more goods compared to the same period of the previous year.

Trade goods purchased from the related parties amount to HRK 48.6 million, while in the same period of previous year amounted to HRK 56.4 million, which is decrease of HRK 7.7 million, which is 13.73%.

Total assets amount to HRK 1 billion 962.8 million and have not significantly changed compared to the beginning of the year.

Long term assets increased by HRK 4.7 million comparing to the beginning of the year. Long term intangible assets are at the same level compared to the beginning of the year, while long term tangible assets are lower for HRK 2.2 million, that is 1.31%.

Long term financial assets mostly relate to the investment in related parties and in smaller part to the given loans. Long term financial assets amount to HRK 116.9 million and are by HRK 7.1 million higher compared to the beginning of the year due to the increase in given loans to business partners.

Deferred tax assets are at the same level comparing to the beginning of the year.

Short term assets amount to HRK 1 billion 644.6 million and are at the same level compared to the beginning of the year. In the structure of short term assets financial assets, receivables and inventory have increased, while cash in bank and on hand has decreased compared to the beginning of the year.

Inventory amounts to HRK 283.6 million and has increased by HRK 7.6 million comparing to the beginning of the year, which is 2.77%.

Total short term receivables amount to HRK 1 billion 200.7 million and are higher for HRK 22.9 million, which is 1.94%, comparing to the beginning of the year. Trade receivables, receivables from related parties and receivables from participating parties amount to HRK 1 billion 190.8 million and have increased by 2.46% comparing to the beginning of the year.

Amount of HRK 35.4 million of receivables from customers from Agrokor Group was converted into incremental loan (roll-up loan) by which receivables in the same amount were closed and the receivables for incremental loan were recorded in the amount of HRK 35.4 million within short term financial assets.

Short term financial assets amount to HRK 87.9 million and relate to short term given loans. Comparing to the beginning of the year they have increased for HRK 35.1 million. This increase is result of recording incremental loan (roll-up loan) from Agrokor.

Cash in bank and on hand amounts to HRK 72.4 million and is lower by HRK 65.8 million compared to the beginning of the year. At the end of 2017 part of the funds from the debt repair of hospitals was received which increased this balance sheet item. Received funds were used for decreasing indebtedness in 2018.

In equity, there was no change compared to the beginning of the year.

Long term liabilities amount to HRK 5.7 million and relate to finance lease liabilities.

Short term liabilities amount to HRK 1 billion 548.3 million out of which the biggest part in amount of HRK 1 billion 205.0 million relates to trade payables and liabilities to related parties and HRK 318.6 million to indebtedness (HRK 316.3 million to short term loans and HRK 2.3 million to finance lease).

Trade payables and liabilities to related parties are higher for HRK 41.7 million comparing to the beginning of the year, which is 3.59%.

Total loans liabilities of Medika amounts to HRK 316.3 million which is decrease of HRK 40.0 million comparing to the beginning of the year. As at 31.03.2018 Medika does not have any long term loans. All loans are short term loans and denominated in HRK so there is no exposure to foreign exchange risk at this balance sheet items.

Key events

Total pharmaceutical market in the first three months of 2018 has increased comparing to the same period of previous year. At the same time, sales of Medika have increased slightly slower comparing to the market increase, which has not significantly influenced market share.

Amount of HRK 35.4 million of receivables from customers from Agrokor Group was converted into incremental loan (roll-up loan) by which receivables in the same amount were closed and the receivables for incremental loan were recorded in the amount of HRK 35.4 million within short term financial assets.

Total indebtedness has decreased for HRK 40.0 million compared to the beginning of the year.

Expected future development of the Company

The Company will continue with its core business: distribution of medicinal products and medical devices will strongly develop operations with products that make the core business of the Company.

Treasury shares

As at 31.03.2018, the Company holds 1,440 treasury shares.

Subsidiaries and associates

The Company has subsidiaries Zdravstvena ustanova Ljekarne Prima Pharme and Primus nekretnine d.o.o. Both subsidiaries are fully owned by the Company.

ZU Ljekarne Prima Pharme has 100% of ownership in subsidiaries ZU Ljekarne Delonga, ZU Ljekarne Ines Škoko and associate ZU Ljekarne Jagatić in which it holds 49% of ownership.

Related parties

The company with major voting rights, Auctor d.o.o. owns 47.38% of the Company and has 49.75% of shares with voting rights.

Pliva Hrvatska d.o.o., Zagreb owns 25.32% of the Company and has 26.59% of the voting rights. Given the share in the ownership and business transactions with the Company, Pliva Hrvatska d.o.o. has significant influence on the current operations of the Company.

Financial risks and exposure to price risk, credit risk, liquidity and cash flow risk

Within financial risks, foreign exchange risk is significant. The Company's purchase of goods is partly realised on the foreign market. The Company is therefore exposed to foreign exchange risk arising from various changes in foreign exchange rates mainly linked to the EUR. All loans are kuna-denominated; hence, there is no exposure to foreign exchange risk. With part of the foreign suppliers the payment currency is agreed in Croatian kuna. It is the tendency in the future to agree payments in Croatian kuna with as many existing foreign suppliers as possible so as to minimise the risk arising from transactions with foreign suppliers.

The Company has part of assets which are interest-bearing so the Company's income and operating cash flows are dependent of changes in market interest rates.

The Company's interest rate risk arises from short term and long term given loans and borrowings with variable interest rates. Borrowings with fixed interest rates expose the Company to the fair value interest rate risk.

The Company does not use derivative instruments to actively hedge cash flow and fair value interest rate risk exposure. However, the Company continuously monitors changes in interest rates. Various scenarios are simulated taking into account refinancing, renewal of existing positions and alternative financing.

Price risk arises from a continuous decrease in the price of HZZO's List of medicinal products and administrative approach in determining prices and margins of medicinal products. To lower this risk, the Company focused on increase of variety of products which are not limited by law in respect of the price of the product.

Majority of the credit risk relates to trade receivables and receivables for given loans. Credit risk is higher when dealing with pharmacies, which have potential going concern issue. However, hospitals which have longer collection period do not have a going concern issue and collection issue.

Out of the total amount of short term receivables, HRK 94.7 million relates to the receivables from companies within Agrokor Group which has undergone in liquidity problems. Out of the total amount, HRK 50.0 million relates to the given loan that is secured by pledge on the shares (gross amount of the loan amounts to HRK 100.0 million and the impairment HRK 50.0 million), HRK 35.4 million to receivables for incremental loan and the remaining on the receivables for the sold goods to the veterinary customers within Agrokor Group.

The most significant risk within market risks is a long collection period of receivables, especially HZZO and HZZO related receivables. Therefore, a significant amount of working capital is not available that has an influence on cash flows and timely settlement of Medika liabilities.

As these receivables are directly or indirectly related to the receivables from the State institutions, the collection of these receivables should not be classified as a risk. This increases the need for additional financing, which increases finance expenses.

Jasminko Herceg, dipl.oec.

Director



Appendix 1.

Reporting period:

1.1.2018.

to

31.3.2018.

Quarterly financial statements TFI-POD

Registration number (MB): 03209741

Identification number of company (MBS): 080027531

Personal identification number (OIB): 94818858923

Issuer: MEDIKA d.d.

Postal code and city: 10000

ZAGREB

Address: CAPRAŠKA 1

e-mail: medika.uprava@medika.hr

web page: www.medika.hr

Code and name of municipality/city: 133 ZAGREB

Code and county name: 21 GRAD ZAGREB

Number of employees: 418
(end of reporting period)

Consolidated statements: NO

NKD code: 4646

Consolidated entities (according to IFRS):

Headquarters:

MB:

Bookkeeping service:

Contact person: RADMILOVIĆ DIJANA
(only name of the contact person)

Telephone number: 012412551

Telefax: 012371441

e-mail: medika.uprava@medika.hr

Name: HERCEG JASMINKO
(authorised person)**Documentation for publishing:**

1. Financial statements (Balance sheet, Profit and loss account, Cash flow statements, Statements of changes in equity and Notes to financial statements)
2. Interim report,
3. Statement of Liability.

M.P.

3 Medika d.d.
ZAGREB, Capraška 1
(signature of authorised person)

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BALANCE SHEET
balance as at 31.03.2018.

Issuer: MEDIKA d.d.

Description 1	AOP mark 2	Previous period 3	Current period 4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	311.426.456	316.146.560
I. INTANGIBLE ASSETS (004 to 009)	003	19.199.753	19.051.703
1. Research and development	004		
2. Concessions, patents, licences, trademarks, software and other rights	005	6.610.043	6.703.092
3. Goodwill	006	11.929.586	11.929.586
4. Advances for intangible assets	007	163.350	
5. Intangible assets under construction	008	496.774	419.025
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	167.087.049	164.893.145
1. Land	011	18.232.855	18.232.855
2. Buildings	012	114.799.093	113.706.228
3. Equipment and machinery	013	11.719.588	11.670.502
4. Furniture, fittings and vehicles	014	12.267.312	11.248.579
5. Biological assets	015		
6. Advances for tangible assets	016	145.854	154.734
7. Tangible assets under construction	017	9.129.377	9.089.402
8. Other tangible assets	018	792.970	790.845
9. Investment property	019		
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	109.814.616	116.876.674
1. Investment in subsidiaries and associates	021	99.999.330	99.999.330
2. Loans to related parties	022		
3. Equity investments	023		
4. Loans given to participating parties	024		
5. Investment in securities	025		
6. Loans given, deposits and similar	026	9.815.286	16.877.344
7. Other non-current financial assets	027		
8. Investments at equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables for credit sales	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	15.325.038	15.325.038
C) CURRENT ASSETS (035+043+050+058)	034	1.644.771.761	1.644.591.371
I. INVENTORY (036 To 042)	035	275.997.886	283.633.810
1. Raw material	036	96.453	110.480
2. Work in progress	037		
3. Finished products	038		
4. Trade goods	039	272.178.706	279.249.445
5. Advances for inventories	040	3.722.727	4.273.885
6. Non-current assets available for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	1.177.811.235	1.200.683.254
1. Receivables from related parties	044	136.200.111	131.094.983
2. Trade receivables	045	1.012.931.948	1.045.046.570
3. Receivables from participating parties	046	13.062.528	14.679.668
4. Receivables from employees	047	26.979	24.523
5. Receivables from the state and other institutions	048	6.197.895	5.329.536
6. Other receivables	049	9.391.774	4.507.974
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	52.759.803	87.858.712
1. Investment in subsidiaries and associates	051		
2. Loans to related parties	052		
3. Equity investments	053		
4. Loans given to participating parties	054		
5. Investment in securities	055		
6. Loans given, deposits and similar	056	52.759.803	87.858.712
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	138.202.837	72.415.595
D) PREPAID EXPENSES AND ACCRUED INCOME	059	613.265	2.052.603
E) TOTAL ASSETS (001+002+034+059)	060	1.956.811.482	1.962.790.534
G) OFF BALANCE SHEET ITEMS	061	121.247.906	75.532.484

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	390.633.291	405.887.346
I. SHARE CAPITAL	063	209.244.420	209.244.420
II. CAPITAL RESERVES	064	-7.657.921	-7.657.921
III. RESERVES FROM RETAINED EARNINGS (066+067-068+069+070)	065	83.475.954	83.475.954
1. Legal reserves	066	18.548.510	18.548.510
2. Reserves for treasury shares	067	48.811.980	48.811.980
3. Treasury shares	068	15.598.249	15.598.249
4. Statutory reserves	069		
5. Other reserves	070	31.713.713	31.713.713
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	72.495.831	105.570.838
1. Retained earnings	073	72.495.831	105.570.838
2. Accumulated loss	074		
VI. PROFIT OR LOSS FOR THE PERIOD (076-077)	075	33.075.007	15.254.055
1. Profit for the period	076	33.075.007	15.254.055
2. Loss for the period	077		
VII. MAJORITY INTERESTS	078		
B) PROVISIONS (080 To 082)	079	642.547	642.547
1. Provisions for retirement, severance payment and similar	080	642.547	642.547
2. Tax provisions	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 to 092)	083	5.785.260	5.722.340
1. Liabilities to related parties	084		
2. Borrowings and deposits	085		
3. Liabilities to banks and other financial institutions	086	5.785.260	5.722.340
4. Liabilities for advances received	087		
5. Trade payables	088		
6. Liabilities for securities	089		
7. Liabilities to participating parties	090		
8. Other non-current liabilities	091		
9. Deferred tax liability	092		
D) CURRENT LIABILITIES (094 to 105)	093	1.555.753.395	1.548.344.893
1. Liabilities to related parties	094	118.412.210	116.133.045
2. Borrowings and deposits	095		
3. Liabilities to banks and other financial institutions	096	359.479.333	318.649.746
4. Liabilities for advances received	097	2.414.190	22.945
5. Trade payables	098	1.044.912.968	1.088.899.821
6. Liabilities for securities	099		
7. Liabilities to participating parties	100		
8. Liabilities to employees	101	7.361.664	7.401.286
9. Liabilities for taxes and contributions	102	8.792.170	15.933.551
10. Dividend payables	103	12.030.000	
11. Liabilities for non-current assets available for sale	104		
12. Other current liabilities	105	2.350.860	1.304.499
E) DEFERRED INCOME AND ACCRUED EXPENSES	106	3.996.989	2.193.408
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.956.811.482	1.962.790.534
G) OFF BALANCE SHEET ITEMS	108	121.247.906	75.532.484
SUPPLEMENT TO BALANCE SHEET (for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders	109		
2. Attributable to minority interest	110		

Note 1.: Supplement to balance sheet is filled for consolidated financial statements.

PROFIT AND LOSS
for period from 1.1.2018. to 31.03.2018

Issuer: MEDIKA d.d.

Description	AOP mark	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	662.084.448	662.084.448	728.321.124	728.321.124
1. Revenues from sale	112	656.260.332	656.260.332	724.956.637	724.956.637
2. Other operating revenues	113	5.824.116	5.824.116	3.364.487	3.364.487
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	651.198.450	651.198.450	715.473.175	715.473.175
1. Change in value of work in progress and finished goods	115				
2. Material expenses (117 to 119)	116	621.453.141	621.453.141	686.564.859	686.564.859
a) Raw materials	117	2.286.626	2.286.626	2.589.488	2.589.488
b) Cost of goods sold	118	614.353.976	614.353.976	677.513.372	677.513.372
c) Other expenses	119	4.812.539	4.812.539	6.461.999	6.461.999
3. Employee expenses (121 to 123)	120	13.269.069	13.269.069	13.533.714	13.533.714
a) Net salaries	121	8.043.660	8.043.660	8.203.132	8.203.132
b) Tax and contributions from salaries	122	3.372.127	3.372.127	3.460.275	3.460.275
c) Contributions on salaries	123	1.853.282	1.853.282	1.870.307	1.870.307
4. Depreciation and amortization	124	2.739.045	2.739.045	2.961.071	2.961.071
5. Other expenses	125	7.661.915	7.661.915	8.067.506	8.067.506
6. Impairment (127+128)	126	6.075.280	6.075.280	4.346.025	4.346.025
a) of non-current assets (financial assets excluded)	127				
b) of current assets (financial assets excluded)	128	6.075.280	6.075.280	4.346.025	4.346.025
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCE INCOME (132 to 136)	131	8.479.101	8.479.101	9.025.166	9.025.166
1. Interests, foreign exchanges and dividend from related parties	132				
2. Interests, foreign exchanges and dividend from non-related parties	133	8.479.101	8.479.101	9.025.166	9.025.166
3. Share of profit from associate	134				
4. Unrealised gains	135				
5. Other financial income	136				
IV. FINANCE EXPENSES (138 to 141)	137	3.603.701	3.603.701	2.805.546	2.805.546
1. Interests, foreign exchanges and dividend from related parties	138				
2. Interests, foreign exchanges and dividend from non-related parties	139	3.603.701	3.603.701	2.805.546	2.805.546
3. Unrealised losses	140				
4. Other finance expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATE	142				
VI. SHARE OF LOSS FROM ASSOCIATE	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	670.563.549	670.563.549	737.346.290	737.346.290
X. TOTAL EXPENSES (114+137+143 + 145)	147	654.802.151	654.802.151	718.278.721	718.278.721
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	15.761.398	15.761.398	19.067.569	19.067.569
1. Profit before tax (146-147)	149	15.761.398	15.761.398	19.067.569	19.067.569
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX	151	3.152.279	3.152.279	3.813.514	3.813.514
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	12.609.119	12.609.119	15.254.055	15.254.055
1. Profit for the period (149-151)	153	12.609.119	12.609.119	15.254.055	15.254.055
2. Loss for the period (151-148)	154	0	0	0	0

SUPPLEMENT TO PROFIT AND LOSS (for consolidated financial statements)

XIV. PROFIT OR LOSS FOR THE PERIOD

1. Attributable to equity holders	155				
2. Attributable to minority interest	156				

OTHER COMPREHENSIVE INCOME REPORT (for IFRS reporting)

I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	12.609.119	12.609.119	15.254.055	15.254.055
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Changes in revaluation reserves for non-current tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses from efficient cash flow hedging	162				
5. Gains or losses from efficient hedge of net investment abroad	163				
6. Share in other comprehensive profit/loss of associates	164				
7. Actuarial gains/losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)	168	12.609.119	12.609.119	15.254.055	15.254.055

APPENDIX to Other comprehensive income report (to be filled for consolidated financial statements)

VI. COMPREHENSIVE PROFIT OR LOSS

1. Attributable to equity holders	169				
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOW - Indirect method
for the period from 1.1.2018. to 31.03.2018

Issuer: **MEDIKA d.d.**

Description	AOP mark	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	15.761.398	19.067.569
2. Depreciation and amortisation	002	2.739.045	2.961.071
3. Increase of current liabilities	003	19.135.005	45.451.085
4. Decrease of current receivables	004		
5. Decrease of inventories	005	486.301	
6. Other increase of cash flow	006	30.391.898	
I. Total increase of cash flow from operating activities (001 to 006)	007	68.513.647	67.479.725
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	25.133.272	32.588.189
3. Increase of inventories	010		7.635.924
4. Other decrease of cash flow	011	3.577.210	42.088.806
II. Total decrease of cash flow from operating activities (008 to 011)	012	28.710.482	82.312.919
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	39.803.165	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	14.833.194
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of tangible and intangible assets	015	47.382	501.923
2. Proceeds from sale of equity and debt securities	016		
3. Interest received	017	1.935.918	9.214.248
4. Dividends received	018		
5. Other proceeds from investing activities	019		
III. Total proceeds from investing activities (015 to 019)	020	1.983.300	9.716.171
1. Purchase of tangible and intangible assets	021	1.175.224	773.635
2. Purchase of equity and debt securities	022		
3. Other purchases resulting from investing activities	023	39.987.296	7.062.058
IV. Total purchases resulting from investing activities (021 to 023)	024	41.162.520	7.835.693
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	1.880.478
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	39.179.220	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuance of equity and debt securities	027		
2. Proceeds from borrowings	028		151.000.000
3. Other proceeds from financing activities	029		
V. Total proceeds from financing activities (027 to 029)	030	0	151.000.000
1. Repayments of borrowings	031	32.058.333	191.000.000
2. Dividends paid	032		12.030.000
3. Repayments of finance lease	033	715.944	804.526
4. Purchase of treasury shares	034		
5. Other purchases resulting from financing activities	035		
VI. Ukupno novčani izdaci od financijskih aktivnosti (031 to 035)	036	32.774.277	203.834.526
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	32.774.277	52.834.526
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	32.150.332	65.787.242
Cash and cash equivalents at beginning of the period	041	80.093.929	138.202.837
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	32.150.332	65.787.242
Cash and cash equivalents at end of the period	044	47.943.597	72.415.595

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2018.** to **31.03.2018.**

Description	AOP mark	Previous period	Current period
1	2	3	4
1. Share capital	001	209.244.420	209.244.420
2. Capital reserves	002	-7.657.921	-7.657.921
3. Reserves from retained earnings	003	83.475.954	83.475.954
4. Retained earnings or accumulated loss	004	72.495.831	105.570.838
5. Profit or loss for the period	005	33.075.007	15.254.055
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 to 009)	010	390.633.291	405.887.346
11. Foreign exchanges from the foreign investments	011		
12. Current and deferred tax (part)	012		
13. Cash flow hedge	013		
14. Changes of accounting policies	014		
15. Correction of material mistakes from previous period	015		
16. Other changes of equity	016		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to equity holders	018		
17 b. Attributable to minority interest	019		

Balances that decrease equity are presented with the minus
Data in AOP 001 to 009 are presented as the balance as at balance sheet date

Zagreb, 27 April 2018

Pursuant to the articles 401 to 410 of the Capital market Law (Official Gazette 88/08, 146/08, 74/09, 54/13, 159/13, 18/15, 110/15, 123/16 and 131/17) Director Jasminko Herceg provides

STATEMENT OF LIABILITY FOR PREPARING FINANCIAL STATEMENTS OF ISSUER

Unaudited unconsolidated and consolidated financial statements of Medika d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

Unaudited unconsolidated and consolidated financial statements for the period from 01 January to 31 March 2018 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company and the Group.

The interim management report for the unaudited financial statements for the period 01 January to 31 March 2018 presents true and fair presentation of development and results of the operations and position of the Company and the Group with description of significant risks and uncertainties for the Company and the Group.

Jasminko Herceg
Director

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Medika d.d.
ZAGREB Capraška 1